

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6663

BILL NUMBER: HB 1296

NOTE PREPARED: Dec 18, 2008

BILL AMENDED:

SUBJECT: Motor Vehicle Insurance Coverage.

FIRST AUTHOR: Rep. Brown T

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: State

Summary of Legislation: This bill prohibits an insurer from adding certain coverage to a motor vehicle insurance policy without written acceptance from the policyholder.

Effective Date: July 1, 2009.

Explanation of State Expenditures: The bill could increase administrative expenses for the Department of Insurance (DOI) to the extent that the DOI modifies rules, guidelines, or publications to incorporate the new requirement. Additionally, violators may be subject to a hearing by the Commissioner of Insurance. The DOI should be able to handle any increases in administrative costs given its existing level of resources. The DOI did not revert money to the state General Fund in 2008.

Explanation of State Revenues: As a result of a hearing, violators may be ordered to cease and desist and the Commissioner may order the payment of a civil penalty of not more than \$25,000 for each violation. If the person knew or reasonably should have known that he or she was in violation, the penalty may be not be more than \$50,000 for each violation. All civil penalties imposed and collected are deposited in the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DOI.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.